

TRICARE Northwest

Empowered Lead Agent

Update

**Briefing
to**

Vice Admiral Michael L. Cowan

BG Kenneth L. Farmer, Jr.

OVERVIEW

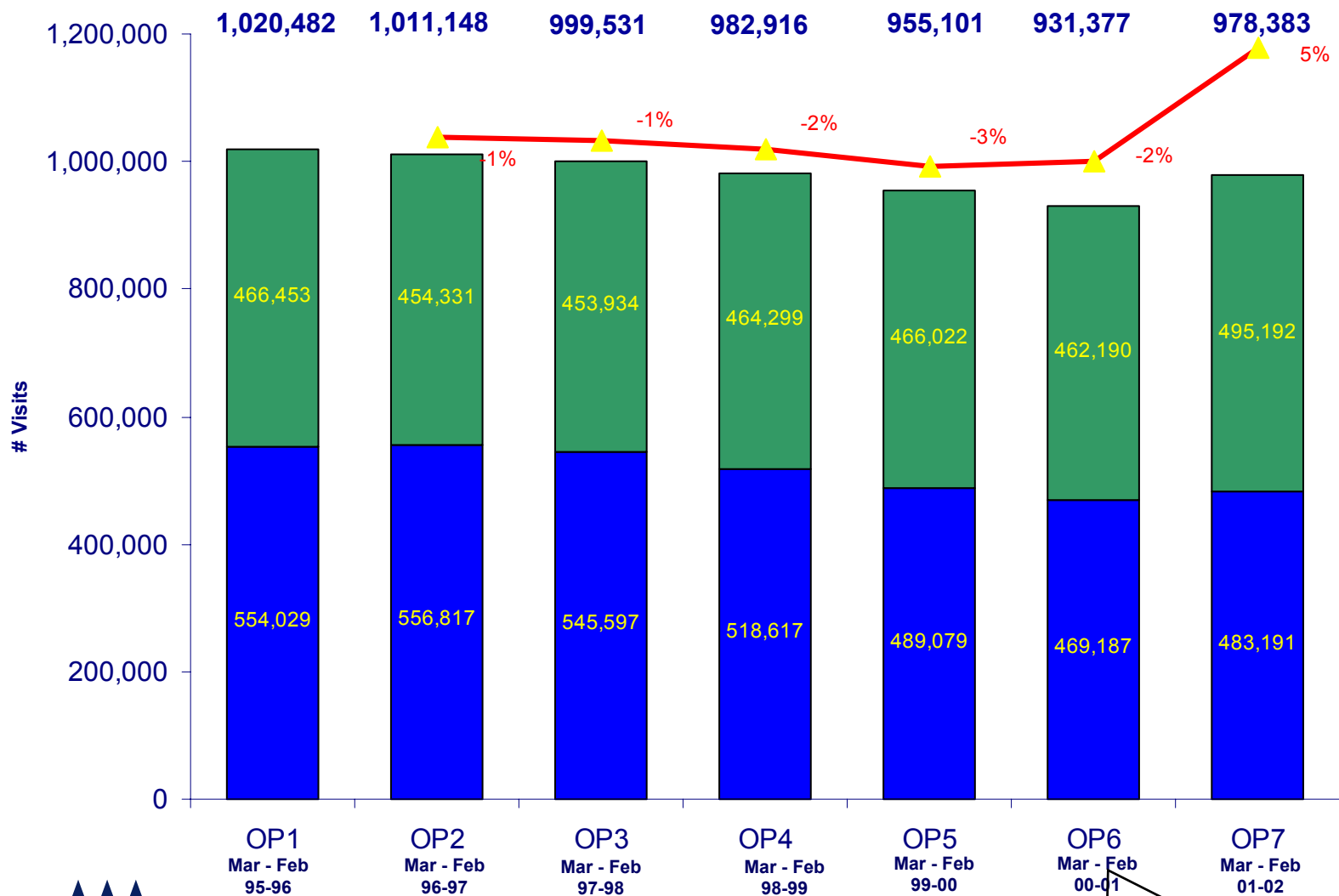
- Pilot Project “Integrated Health Care”
- ‘01 Business Plan Execution
 - Pilot Project Funding
 - Specific Initiative Examples
- Pop Health Management
- Regional IM/IT
- Mental Health
- Regional Contracting
- Successes/Challenges

Regional Business Plan

- Regional MTF visits: (trend was ↓)
BPA Projection for OP7 UP 5%
- Purchasing Power: (trend was ↓)
Stable but lags Health Care inflation
- Staffing: (MAMC military staff ↓)
Regionally good, MAMC still -93 FTEs
Shift to Civilian hire
- MCSC cost: (trend was ↑)
Early Analysis of PRIME PMPM good

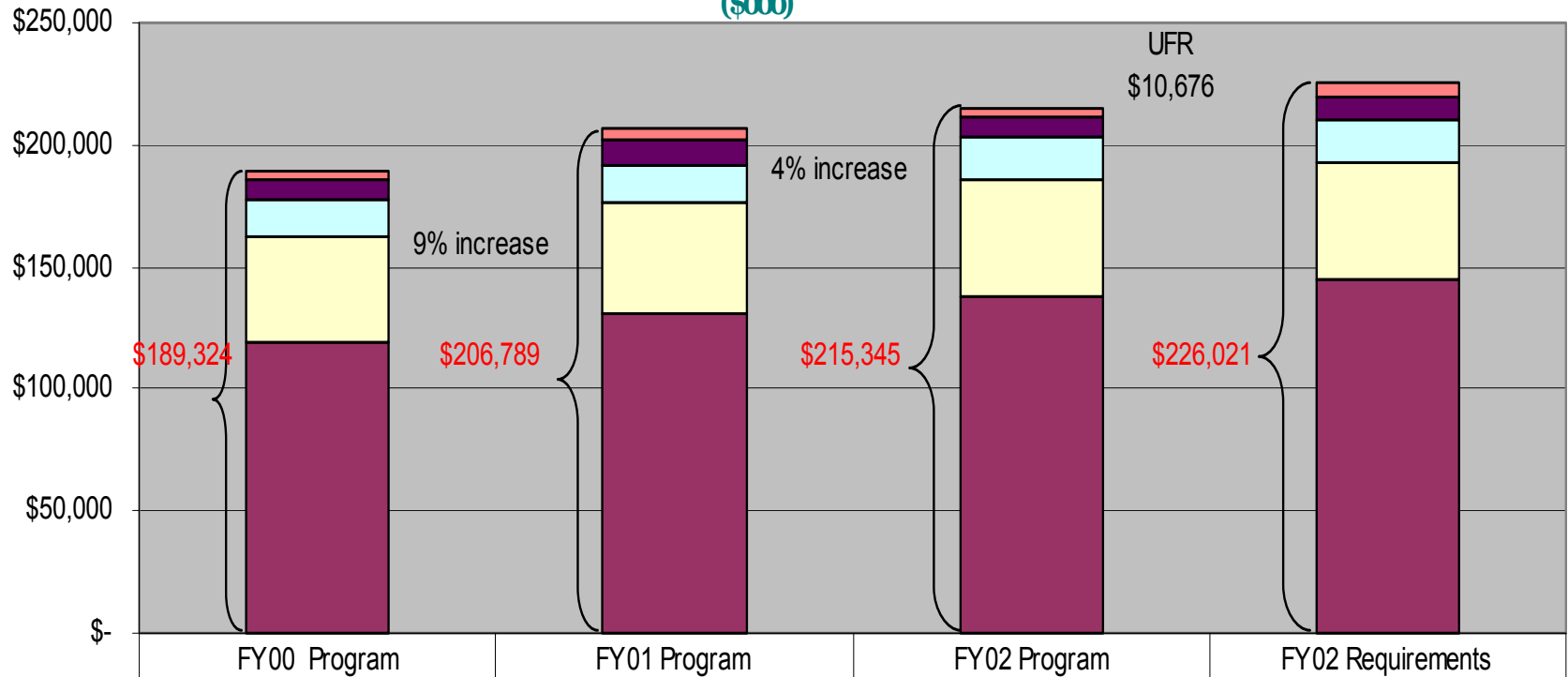
BPA MTF Workload

OP7 = Projection



Pilot Project starts Oct 00

Baseline Funding Trend
O&M FY00 - FY02
 (\$'000)

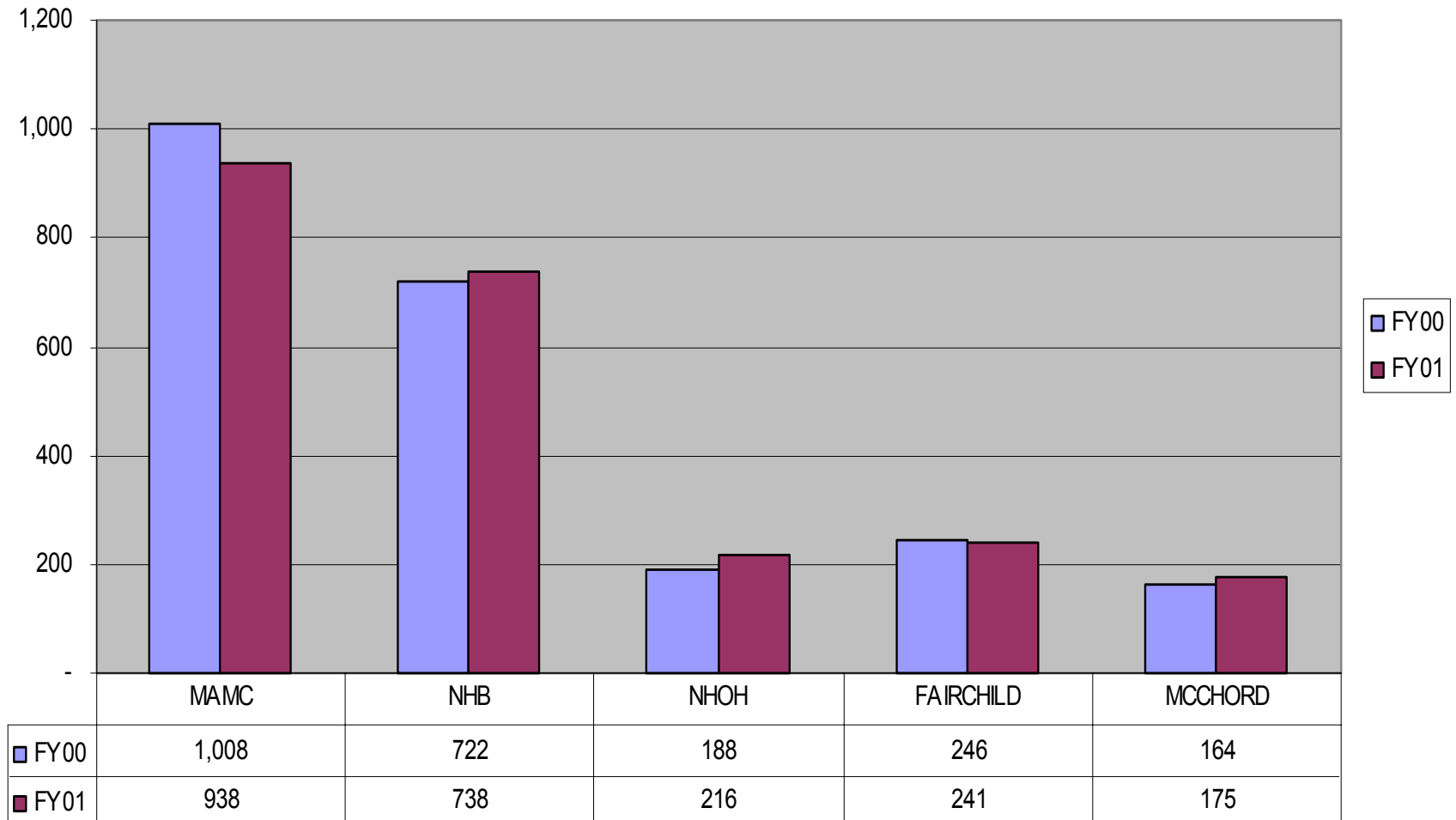


MCCHORD	\$3,437	\$4,652	\$4,247	\$6,148
FAIRCHILD	\$8,709	\$10,393	\$8,195	\$9,650
NHOH	\$15,207	\$15,725	\$16,841	\$17,561
NHB	\$42,557	\$45,505	\$47,662	\$47,662
MAMC	\$119,414	\$130,514	\$138,400	\$145,000

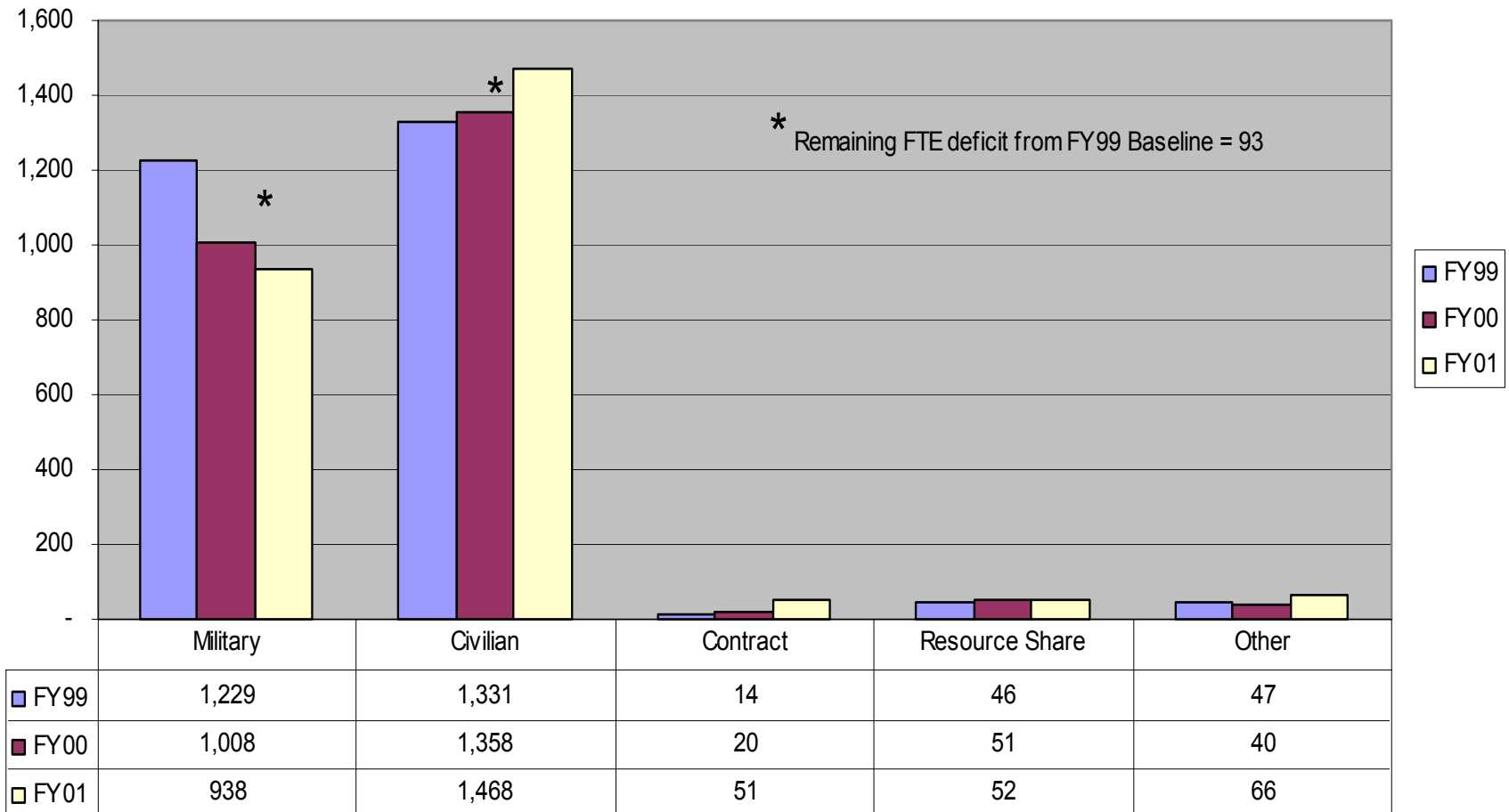
Note: Does not include Reimbursables, Business Plan funds, MPA

Source: STANFINS (Army), STARS-FL (Navy), MicroBAS (AF)

R11 Military Manpower



MAMC Manpower



FY '01 Regional Business Plan

FY '01 \$3.064M --- ROI \$3,344M Net \$.281M

Purchased FTE's, PCR course, ICDB, Glucose Sensors, ORMA, SCORE, Arthroplasty, Telemed, Lab equipment.

ROI (\$), BPA, Direct Care, TRBO, Pharmacy, Laboratory, Specialty Care, Primary Care

ROI (Quality, Satisfaction, Access) Pop Health Mgmt, Regional Integrated Health Care

Integrated Health Care Delivery Plan

Manage the Region

Business Plan

Initiatives: Regional/local

Intervention: Leadership, FTE's, IM/IT

Direct Care Investment

ROI: Cost Avoidance, Cost Savings,

Quality, Satisfaction, Unmet Demand(↑visits)

Funding: TMA Pilot Project Initiative Funds

↓ MCSC Purchased Care Requirements

↓ Direct Care Supplemental Requirements

INITIATIVES INFRASTRUCTURE:

<u>Initiative</u>	<u>Baseline</u>	<u>Intervention</u>	<u>Impact</u>	<u>Metric</u>
TRBO \$3K	Supply Costs	Leadership LA Staff RIA's	↑ Standard- ization	Cost Savings \$1M
Pharmacy \$150K	Pharmacy Costs Trends	RIA's LA Staff Formulary Regional Cooperation	Funding Provider Behavior NSA's	Cost Savings \$850K
Lab \$43K	Cost/Tests Turn-time	Ref Lab Contracts Standardize	Regional Approach Staff Productivity	Cost Savings Turn-time

INITIATIVES

CLINICAL ISSUES:

Pop Health Mgmt/Primary Care

<u>Initiative</u>	<u>Baseline</u>	<u>Intervention</u>	<u>Impact</u>	<u>Metric</u>
High Risk Case Management \$69K	3314 Pts >29 Vts/Yr	Case Mgmt LA Staff ICDB	↓ Visits Regional Case Mgmt	PHM Targeting Report Metrics
PCR \$39K	Clinic Mgmt Initiatives (Visits, unfilled Appts, staff ratios	PHM Course, Staffing	Capacity Quality Workload	Workload HEDIS Disease & Demand Mgmt Metrics
MAMC APCC	Visits/day Access Templates	Staff Hires Supply MilCon	↑ Optimization Customer Service Capacity	Support Ratio Access Enrollment Visits

INITIATIVES

CLINICAL ISSUES:

Specialty Care

<u>Initiative</u>	<u>Baseline</u>	<u>Intervention</u>	<u>Impact</u>	<u>Metric</u>
MAMC Inpatient \$861K	ICU Pts Diverts OR Cases	RN Hires ICU Staff OR Staff	Surgical Thru-put Recapture Surgical/ICU Cases	# of Diverts Days in Divert ICU Pts
MH \$41K	Psych Claims & Demand Access Distance	LA Staff Regional Pro-Staff	↑ MH Care NHOH,	Patient Visits
TelePsych	Cases Pts in Network Pt Travel Provider Travel	Equipment Training	Recapture Care Meet Line needs	Recapture Cases Decrease Travel

INITIATIVES

CLINICAL ISSUES:

Specialty Care

<u>Initiative</u>	<u>Baseline</u>	<u>Intervention</u>	<u>Impact</u>	<u>Metric</u>
NHB Arthroplasty \$53K	CH Cases	Surgery at NHB SCORE	↓ CH cases Wait List	Cost Savings \$47K & # of Cases
Glucose Sensors \$10K	CH Claims \$400/test	Equip	PT Care CH Claims	Cost Avoidance FY02-\$18K FY 03-\$22K

Focus Topics

- Pop Health Management
- Regional IM/IT (ICDB, ORMA, CIS)
- Regional Mental Health
- Regional Contracting
 - ← Services & Med/Surg Supply

Population Health Management

Pilot Project

Managed Money

Managed Care

Population Health Management

Keystone to Regional Managed Care Strategy

Ten Initiatives focus on changing culture/business

Four require “jump-start” funding

“...a system that uses the best knowledge, that is focused intensely on patients, and that works across health care providers and settings... taking advantage of new information technologies to move us beyond where we are today.”

IOM Report, “Crossing the Quality Chasm”, July 2001



Funding Four/Ten Initiatives

Primary Care Reengineering

Case Management of “High Risk” enrollees

Integrated Clinical Database (ICDB)

Healthwise Handbook to active duty

Return On Investment

Four Initiatives act synergistically to:

Optimize clinical resources

Recapture services going to Network

Improve quality of care

Elevate Active Duty care to TRICARE Standards

Metrics of Success

Region, MTF, Panels : Benchmarks/Standard Trends

Recapture: → # MTF Prime & \$ spent receiving PC services in network

Optimization: → Support ratios, % Panel seeing PCM

Medical Quality:

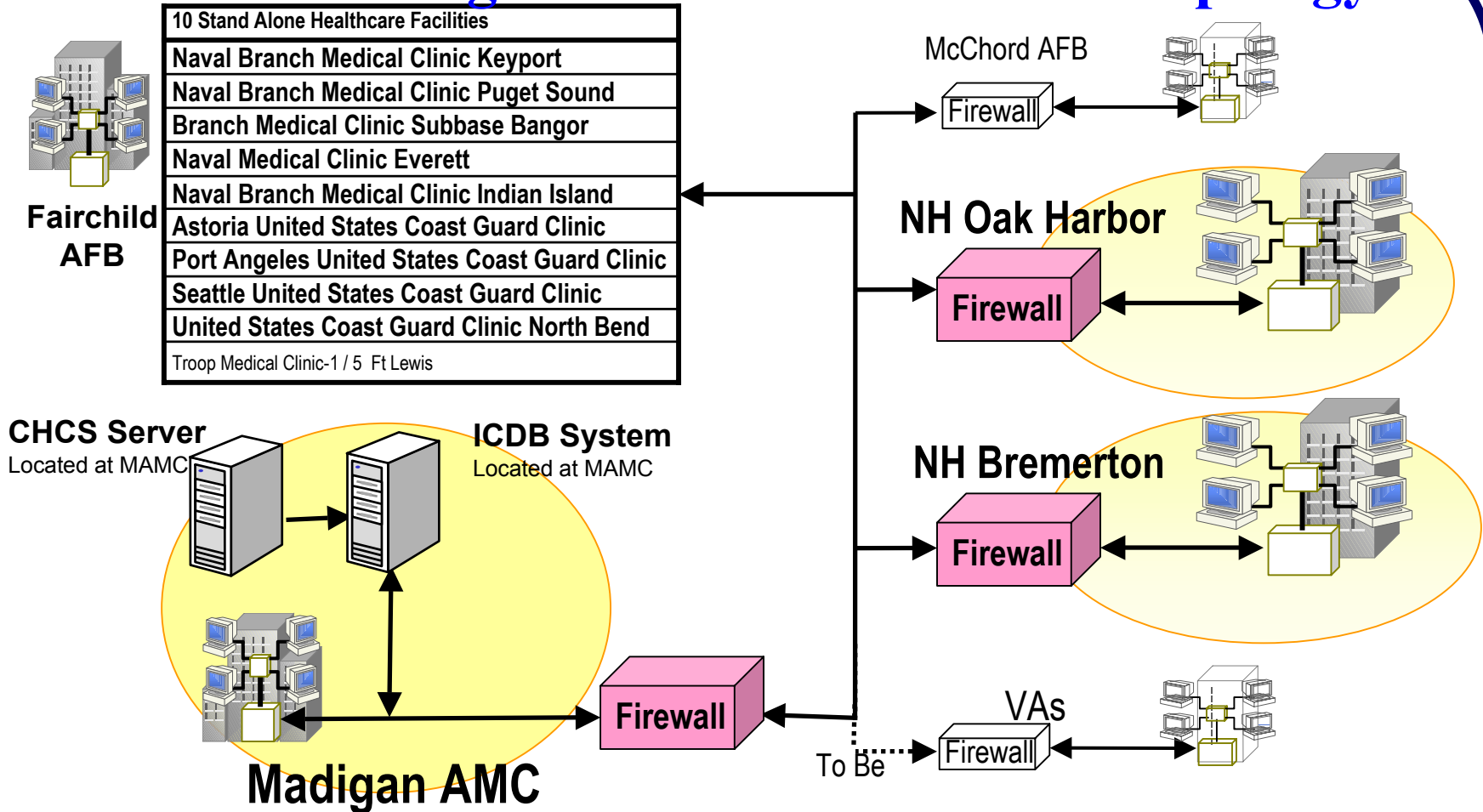
Prevention → Pap, Mammo, Lipids

Disease/Condition → Diabetes, CHF, Depression

Demand/Utilization → Admits, Visits, ER,



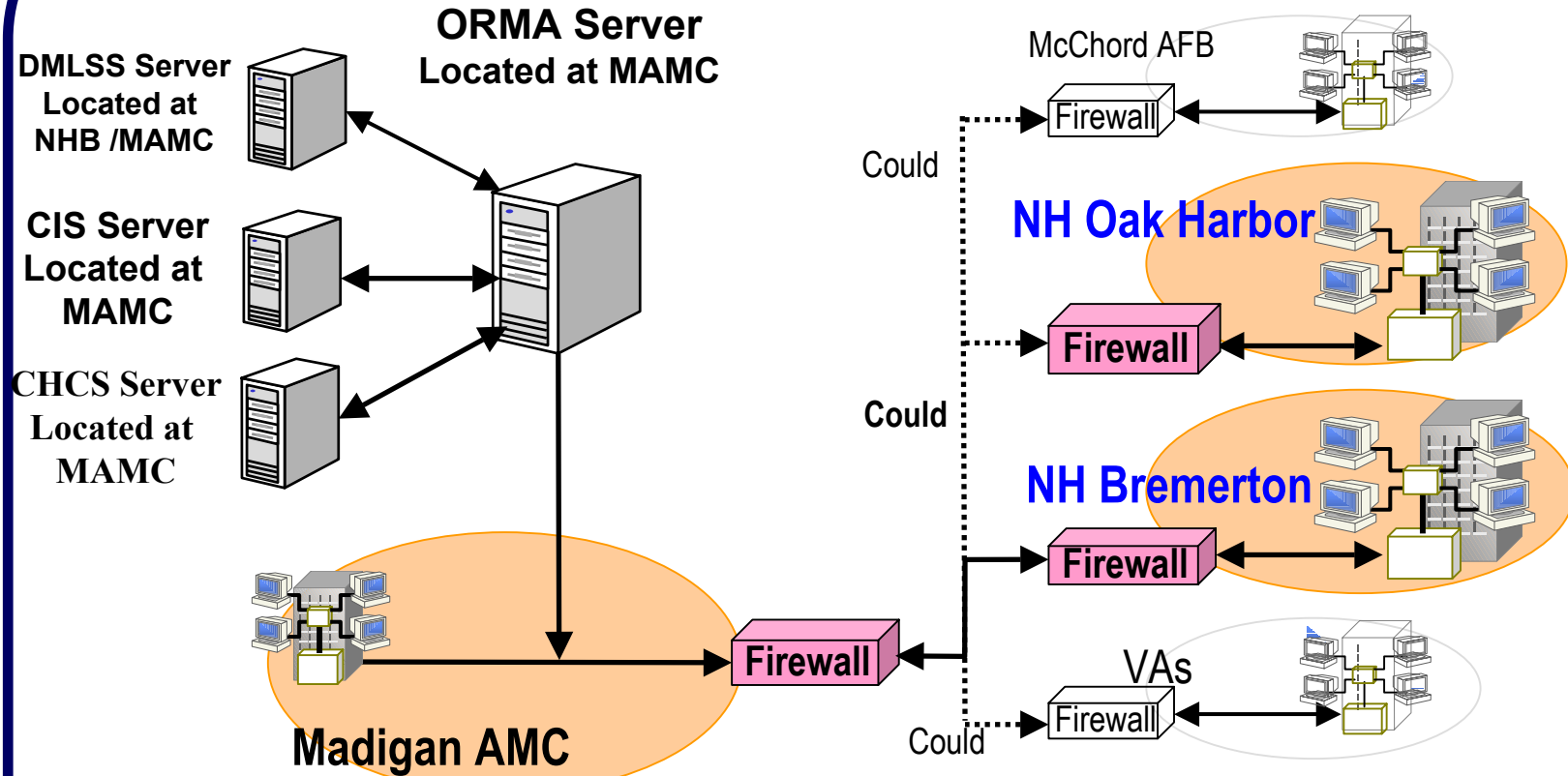
TRICARE Region 11 ICDB Network Topology



- Deployed within 90 Days after Funding
- TRICARE Region 11 Co-Development of the ICDB's Nursing and Technician Portal:

–Established a Regional Functional IPT

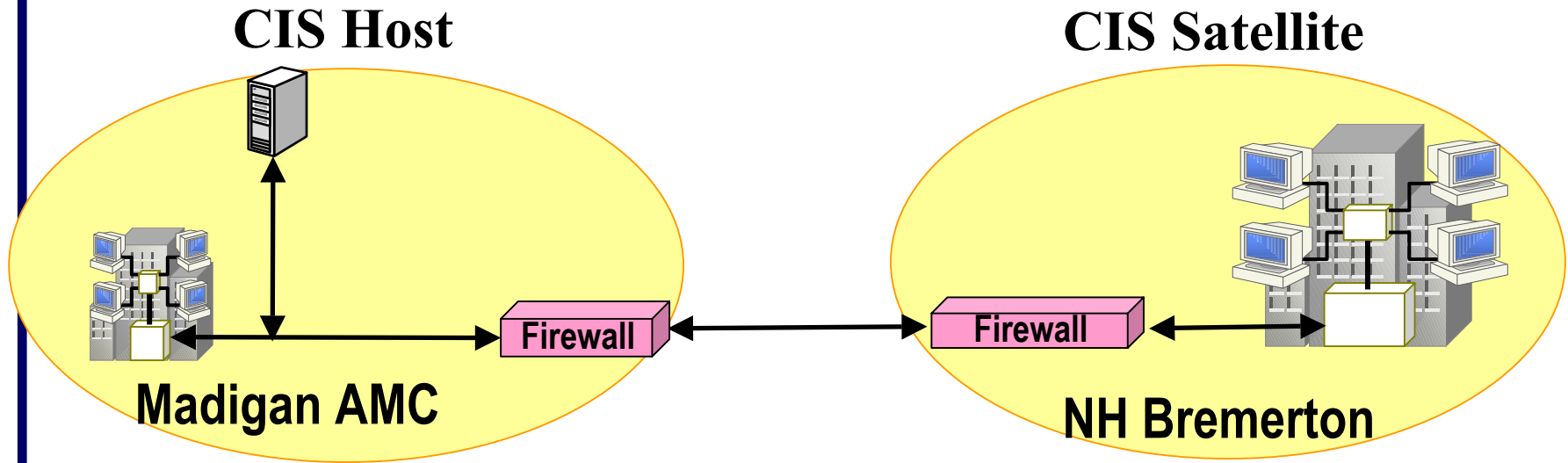
TRICARE Region 11 ORMA Network Diagram



- ORMA (in support of SCORE, Arthroplasty):
 - Virtual Operating Rooms between the MTF's BNH / MAMC
 - Hub Spoke Topology resulted in cost avoidance of ~ 400K
 - User Training Starts **January 2001**
 - Go Live Date **March 2002**

TRICARE Region 11 CIS Network Topology

Under Evaluation Pending TEC Approval



• CIS Facts:

- Virtual “Inpatient Hospital View” between BNH / MAMC
- BNH CIS Standalone costs is ~1,000K
- BNH/MAMC Hub Spoke Topology cost ~500K
- NHB Acquisition Cost Avoidance ~500K

Mental Health Consortium

- **Accomplishments**

- Regional ADS codes (Finished)
- Shared Regional resources (Ongoing)
- GS psychiatrist (July 01')
- Telepsychiatry (Aug 01')
- Social worker (Oct - Nov 01')

- **Goals**

- Regional Mental Health Formulary
- Depression Initiatives
 - Community Healthcare Management
 - Condition (Disease) Management
- DoD/VA

Psychiatric Staffing

- **Child psychiatrists**
 - None at NHOH
 - One at MAMC
 - One at NHB
- **Air Force psychiatrists**
 - None at McChord
 - None at Fairchild

Contracting

New Business Opportunities . . .

EXPLORE POSSIBILITIES TO LEVERAGE PURCHASING POWER

- Established Regional Contracts Workgroup
- Review Existing Contracts
 - ✓ Over 200 contracts under review
 - ✓ Total estimated value in excess of \$24,000,000
 - ✓ Initial Opportunities:
 - Office Supplies
 - Blood Services
 - Dictation/Transcription Services
 - Ambulance Services
 - Medical Gases
- Shared-Use Contracts
 - ✓ Pacific Multiple Award Task Order (PACMATO)
 - ✓ Dictation/Transcription Services



New Business Opportunities Under Evaluation

- **Resource Sharing revisions**
- **VA Resource Sharing**
- **OLWEA**
- **TRICARE-on-Line**

What We Need From You

- **Identification of funding for '02**
- **Future of Pilot Project**
- **Direction of T-Nex**
- **Status of Consolidation**
- **HIPAA**

Depression Landscape

Statistics

- Frequent: 14% of population
- Expensive: \$8,000/patient/year direct medical costs
- Treatable: >80% treatment response

Barriers to Treatment

- Stigma
- Discrimination
- Access to care

The background of the slide is a photograph of a large, rugged mountain peak covered in snow, set against a clear, deep blue sky. The mountain's ridges and valleys are clearly defined by the snow. The overall tone is professional and serene.

TRICARE Northwest

"Each of us realizes that our personal success is as much determined by the success of the region at large as our performance at each facility."

"An Integrated Health Care System"